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Approved For Release 2004/07/08 : CIA-RDP80M00596A000200020034-6
The Director of Central Intelligence

Washington, D.C. 20505

Resource Management Staff

DCI/ICS 78-1203
19 October 1978

MEMORANDUM FOR: Mr. Walter Elder
Executive Secretary PRC/NFIB

FROM:
Acting Director, Policy Guidance Office

SUBJECT: Input to the DCI's Annual Report

1. ☐ Preparation of the DCI's Annual Report for calendar year 1978, due to the President and the Congress by 25 January 1979, is now under way. The DCI has approved a concept for this year's Annual Report which is more selective than last year's, both because this seems more appropriate to a 1978 characterized by attention to key intelligence issues rather than the comprehensive report approach used for 1977 as a year of extensive community restructuring, and also to limit length for a busy reader to a manageable 30-40 pages (last year's ran 80 plus). The DCI has also approved an outline for this year's report (Attachment 1). Part I is designed to allow the DCI to highlight the particular characteristics and emphases of 1978 in intelligence; Part II is intended to air several issues of great importance to him, his key Executive users, and the Congress. The Annual Report will carry a high classification and receive extremely limited distribution.

2. ☐ As the staff officer with the best presumed insight into the evolution of the NFIB and the PRC(I), we would appreciate some brief overview comments on the nature and concerns of these two bodies in 1978. Specifically:

a. the NFIB: new members added in 1978 (any other than Justice?); Commerce's observer status; the DDCI's role as Vice Chairman; relative proportion nowadays of NFIB attention to substantive, resource management, or other (please specify general categories) matters; increased use of executive session for general (as well as confidential) communication purposes; other noteworthy NFIB activities (e.g., charter legislation?).

b. PRC(I): DCI's arrangements for representing Commerce and Energy's interests without membership. What should the DCI say in his Annual Report about his view of the PRC(I)'s role, purposes, priorities and activities? Please comment on PRC(I)'s major concerns and activities: progress on consumer intelligence requirements; status of consideration of priorities among requirements; status

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Subject: Input to the DCI's Annual Report (☐)

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of (sizing the problem?) relating requirements and priorities to programs and budgets; other?



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Attachments:

1. DCI Revised Outline AR for 1978
2. DCI letter to NFIB principals requesting help on Annual Report

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Subject: Input to the DCI's Annual Report (U)

Distribution: DCI/ICS 78-1203

Original - Executive Secretary PRC/NFIB w/atts

1 - EO w/atts

1 - CLLO w/atts

1 - PBO w/atts

1 - PAO w/atts

1 - PGO Subject (78 AR Production/Tasking) w/atts

1 - PGO Chrono w/atts

1 - RMS Registry w/atts

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DCI/RMS/PGO (19 Oct 78)

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6 October 1978

DCI REVISED OUTLINE - ANNUAL REPORT FOR 1978

I. 1978 in Intelligence

A. Execution of the E.O. and Other Organizational Questions

1. evolution of the PRC(1); work on user priorities
2. resources: experience in use of DCI's budget authority
3. production
 - a. NFAC's first full year
 - b. DIA
 - c. INR
 - d. DCI substantive committees (EIC, JAEIC, STIC, WSSIC)
4. collection
 - a. status of NITC
 - b. 3 DCI collection committees
5. other management
 - a. DDCI
 - b. NFIB: shifting membership/concerns
6. I&W

B. New or Altered Emphases in Analysis

1. strategic balance: new developments & experience in communicating them
2. proliferating support for arms limitation talks
3. emergence of China as an active world player
4. world petroleum supply

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5. substantive support for crises--e.g., Ogaden, Shaba II
(Afghanistan?)
- C. Intelligence and the Congress
 1. activities in support of both oversight committees
 2. activities in support of other committees
 3. charter legislation
- D. Legal and Propriety Issues
- E. Security and Counterintelligence Issues
 1. Espionage
 - a. Kampiles
 - b. "moles," etc.
 - c. counterintelligence initiatives
 2. Leaks
 - a. Authors
 - b. Others
 - c. Remedies?
 3. Other security measures; e.g., implementation of new industrial security measures
 4. New directions in foreign counterintelligence program
 1. role of new DCI CI coordinator
 2. PRC (CI)
- F. Covert Action - emphasis on mission and programs
- G. Intelligence and the public - new emphases

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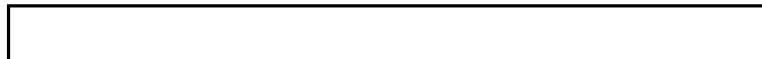
H. Major Accomplishments 1978

- a.
- b.
- c.
- d.

II. KEY ISSUES (lead into with NFIP graphics)

The early 1980s budget bow wave and trade-off issues on technical sensors

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issues, outcome,

rationale;

COMINT/ELINT upgrade needs, appropriate packages

HF modernization

Quality of Analysis and Policy Support

including progress on improving interdisciplinary analysis

collection/production: an appropriate budget balance?

Community ADP

National/Tactical Interface Issues

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NATIONAL FOREIGN INTELLIGENCE BOARD

NFIB-6.1/10
2 October 1978

MEMORANDUM FOR THE NATIONAL FOREIGN INTELLIGENCE BOARD

SUBJECT: My Annual Report

I very much appreciated the help that you and your organizations provided a year ago in the preparation of my first report as DCI on the Intelligence Community to the President and the Congress. Preparation of this year's Annual Report is now underway, and I would be grateful if you and your organizations would assist with input and/or review as requested. The staff of my Deputy for Resource Management will be in touch with you shortly on specific needs.



STANSFIELD TURNER
Chairman

(29 September 1978)

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1978
Draft

I. 1978 in Intelligence

A. Execution of the E.O. and Other Organizational Matters

2. RESOURCES: EXPERIENCE WITH DCI'S BUDGET AUTHORITY

This year we have completed the transition to NFIP budget development under E.O. 12036 provisions giving me full and exclusive authority for approval of the NFIP prior to its presentation to the President and for reprogramming of funds; responsibility for presentation of the budget to the Congress; and authority for monitoring program implementation. I have been gratified to sense the cooperative professional Intelligence Community spirit which has generally marked the almost daily contact between my staff and program managers and their staffs in building our common intelligence program and budget. I personally very much appreciate the constructive counsel and frank sharing of concerns that program managers have given me individually and in the NFIB, and they and their departmental principals in the PRC(I). In particular, my regular conversations with Secretary of Defense Brown are very useful on program and budget issues concerning the large percentage of NFIP manpower and dollars under his day-to-day operational purview, as on other national security matters of mutual concern to us both.

It is both inevitable and healthy that different perspectives and priorities exist among program managers on many individual issues. And procedural rough spots remain, of course. I am well aware that the combined transition to new NFIP management procedures and Zero Base Budgeting has burdened many program managers with a

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heavier workload than formerly to develop the detailed presentations both new sets of procedures have required. We will continue to work to refine and streamline this large effort, but I am convinced the interim results are impressive. The proposed FY 1980 NFIP I submitted to the President as a result of all this Intelligence Community effort is, I believe, an unprecedentedly well vetted, integrated and balanced U.S. national intelligence effort responsive to both national security needs and current federal fiscal stringencies.

My first step toward developing an even sounder FY 1981 program and budget has been to issue early guidance, last month, that tries both to spell out a general philosophical rationale for development of the NFIP and its component programs, and to give quite specific guidance to individual program managers on what I see as priority issues, directions and emphases within their programs. I also want this year to explore approaches to further definition of my role in monitoring program and budget implementation.

22 November 1978

I. 1978 in Intelligence

A. Execution of the E.O. and Other Organizational Matters

1. THE POLICY REVIEW COMMITTEE (INTELLIGENCE)

(U) Promulgation of the National Intelligence Topics (NITs) as the stated national intelligence requirements and priorities of the senior policymakers of the U.S. Government places the users of intelligence for the first time in history in a position effectively to guide and direct the activities of the national foreign intelligence community.

(U) As Chairman of the Policy Review Committee (Intelligence) [PRC(I)], I can now impart specific substantive as well as fiscal guidance to components of the Intelligence Community so that the National Foreign Intelligence Program is constructed to supply answers to the users' questions about the most important issues affecting our national security. The NITs serve as guides for national intelligence production strategies; they will also be the basis for levying collection tasks; the NFIP and budget, for which I have full and exclusive authority, will allocate resources to allow the most efficient responses possible to the NITs.

(U) The NITs have been drawn up to reflect the basic longer-term policy concerns on which intelligence can be expected to provide an output, and a list of shorter-term issues which deal with critical areas and changing immediate concerns. The NITs are subject to a periodic review, about three times a year. This process permits adjustments in production, collection, and resource management priorities. It also provides the PRC(I) with a continuing assessment of the Intelligence Community's performance.

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(U) Although no separate mechanism for relating the NITs to specific budget decisions has been established, the relevance of the users' requirements to the structure of the NFIP is recognized as an integral part of the program and budget process. A PRC(I) Working Group, headed by my Deputy for Resource Management, has been established to prepare assessments of the Intelligence Community's performance for consideration by the PRC(I). The Working Group has also been charged with proposing a formal schedule to ensure appropriate consultation with the PRC(I) as the NFIP moves through its annual cycle.

(U) Translation of the NITs into the ultimate guides for production, collection, resource management is well under way, and completion of this process will have my priority attention. The objective is to ensure that where I, as the President's principal foreign intelligence observer, report the results of our national foreign intelligence activities, I am also in a position to assure him that these activities are being conducted in the most efficient manner consistent with existing fiscal constraints.